

Foothill Transit Governing Board

MINUTES

The Special meeting of the Foothill Transit Governing Board was held Friday, April 16, 2010, at the Foothill Transit Board Room, 2nd Floor, 100 South Vincent Avenue, West Covina.

Chair De La Torre called the meeting to order at 7:50 a.m. The following members were present, constituting a quorum:

Corey Calaycay
Peter Yao
Robert F. Rodriguez
Paula Lantz
Emmett Badar
Keith Hanks
Marlen Garcia
Peggy A. Delach
Dough Tessitor
Roger Chandler

Richard G. Barakat
John Fasana
Becky A. Shevlin
Vincent Yu
Carol Herrera
Hector Delgado
Michael De La Torre
Patricia Wallach
David C. Rodriguez

Pledge of Allegiance

Vice Chair Chandler led the Pledge of Allegiance.

APPROVAL OF MINUTES FOR THE SPECIAL GOVERNING BOARD MEETING OF MARCH 2, 2010

The minutes for the Governing Board meeting of March 2, 2010, were approved as submitted.

Motion: Chair De La Torre, seconded by Vice Chair Chandler
Vote: Unanimously carried

PUBLIC COMMENT

There was none.

UPDATED REVENUE PROJECTIONS

Kevin McDonald, Deputy Executive Director, reported the following:

- At the Governing Board meeting held on March 2, 2010, budget projections available at that time, pointed to a \$12.5 million budget deficit in Fiscal Year 2011 at current service levels. The strategy identified at the time to address the deficit included \$2.5 million in administrative cost, and \$10 million in service reductions.
- In the intervening 5-6 weeks, a number of changes have taken place, and the projected deficit has been filled by \$5.9 million which include:
 - \$3.7 million in State Transit Assistance (STA) Program Funds;
 - Fare Allocation Procedure (FAP) released last week indicated funding levels \$4.4 million higher than originally projected.
 - Revenues of \$2.2 million from the Compressed Natural Gas (CNG) excise tax credit had been included in the original budget forecast; however, this tax credit expired in December 2009 and has not been re-authorized by Congress. Uncertainty remains as to whether it will be approved; therefore, it was excluded from the Fiscal Year 2011 budget.
- As a result of these changes, the current projection is a \$6.6 million operating deficit in Fiscal Year 2011 at current service levels. The strategy proposed by the Executive Board to address the current deficit includes a \$1.5 million administrative cost reduction; a \$3.9 million shared Service Reduction adjustment; and a \$1.2 million net revenue from fare increases.
- While the current budget forecast shows a balanced budget, it contains items that have not been fully resolved, and will not be resolved until a final decision is made by the Foothill Transit Governing Board at its May 2010 meeting. Items include the final service reduction levels and a possible fare increase.

Staff will explore suggestions posed by members of the Governing Board to assist with balancing the FY 2010 budget.

Following discussion, the Governing Board received and filed the updated Revenue Projections.

Motion: Member Tessitor, seconded by Chair De La Torre
Vote: Unanimously carried
([See Supporting Document](#))

CUSTOMER FEEDBACK ON PROPOSED FY 2011 SERVICE REDUCTION

LaShawn Gillespie, Director of Planning, presented the Customer Feedback on Proposed Fiscal Year 2011 Service Reductions and reported the following:

- The proposed Fiscal Year 2011 service reduction that was submitted for public comment was based on a forecast that would have required a \$10 million service reduction. However, since that time, the forecast has been revised, and a lower service level reduction is anticipated.
- An outreach campaign was implemented to solicit feedback from customers and other stakeholders. Advertisements were placed in local newspapers; information was sent to JPA member cities and school districts. *Interior Cards* were placed in the buses, and a special edition of *Footnotes* was produced and placed on the buses and in the Transit Stores.
- Four public hearing were held in El Monte, Duarte, Industry, and Pomona and approximately 200 comments were received.
- A revised list of proposed service changes will be brought back to the Executive and Governing Boards, for consideration, at their meetings scheduled for May 11th and May 19th, respectively. The revised recommendations will reflect the improved projected revenue projections.

The Governing Board received and filed an update on the customer feedback received during the customer outreach process conducted regarding the Proposed Fiscal Year 2011 Service Reductions.

Motion: Chair De La Torre, seconded by Vice Chair Chandler
Vote: Unanimously carried
([See Supporting Document](#))

PROPOSED FARE INCREASE

Kevin McDonald, Deputy Executive Director, reported that the proposed fare increase is projected to increase FY 2011 fare revenues by \$1.1 million. It will also freeze Foothill Transit's fare units at the FY 2009 level. The fare unit freeze will mitigate any loss of subsidy in FY2012 and beyond that would otherwise occur as a result of declining fare revenues.

A final recommendation will be presented to the Governing Board on May 19, 2010, and any approved fare increase will be implemented on June 27, 2010, following public hearings.

Following discussion, the Governing Board authorized the Executive Director to conduct public hearings regarding the June 2010 fare increase.

Motion: Vice Chair Chandler, seconded by Member Tessitor

Vote: Duly carried; Member Barakat voted no.

([See Supporting Document](#))

EXECUTIVE DIRECTOR COMMENT

Doran Barnes, Executive Director, reported that this has been one of the most dynamic and ever-changing budget years experienced. Staff has worked diligently in processing budget related issues to positively position Foothill Transit.

The Governing Board meeting will be held on May 19, 2010, at 7:45 a.m. Administrative cost and service reductions, as well as fare increases will be on the agenda for approval. Election of representatives to the Executive Board for the upcoming three-year period for Cluster 5 (County Cluster) will also be agendized.

GOVERNING BOARD MEMBER COMMENT

Chair De La Torre thanked Governing Board colleagues for their support and staff for their tenacity in dealing with tasks at hand to balance the budget.

Member Herrera noted that she is grateful that deep service cuts that were originally proposed are not being implemented.

Member Fasana thanked staff for conducting the public hearings. He noted that at the public hearing held in the City of Duarte, there was consensus of riders to have service preserved even though fare increases are in line.

Member David C. Rodriguez recommended that advertising on buses be explored in an effort to generate revenue.

ADJOURNMENT

There being no further business, the Governing Board adjourned at 9:07 a.m.

Motion: Vice Chair Chandler, seconded by Member Delach

Vote: Unanimously carried

Staff and Guests present:

Doran Barnes, Executive Director
Kevin McDonald, Deputy Executive Director
Darold Pieper, Legal Counsel
LaShawn Gillespie, Director of Planning
Linda Somilleda, Director of Marketing & Communications
Martha Arana, Commission Services Staff